

DATE: June 29, 1995

FROM: Director
Office of Survey and Certification, HSQB

SUBJECT: Hospice Regulations

TO: Claudette V. Campbell
Associate Regional Administrator
Division of Health Standards and Quality
Region III

I am responding to an inquiry by a member of your staff related to the hospice condition of participation on Professional Management at 42 CFR 418.56. During a recent unannounced survey, the State agency cited the hospice for noncompliance with the standard at 42 CFR 418.56(d) for not retaining responsibility for payment for services for non-Medicare patients. The hospice contends that the private insurer has the financial responsibility for their patients and that this regulation is unclear. You requested a clarification of this standard.

The condition of participation at 42 CFR 418.56 requires the hospice to maintain professional management responsibility for the services it provides under arrangement. The standard at 42 CFR 418.56(d), requires the hospice to retain responsibility for payment for those services. For Medicare purposes, the hospice is reimbursed for all covered services it provides, whether directly or under arrangement. It is the responsibility of the hospice to pay for those services provided to Medicare beneficiaries under arrangement. When a hospice provides services under arrangements to non-Medicare beneficiaries, the hospice is responsible for establishing how payment for those services will occur, but the standard does not require the hospice to pay for those services directly or to pay for services for which there is no reimbursement or for services which another insurer is obligated to pay.

I hope that this information is helpful to you. If you have any additional questions related to hospice survey and certification, please do not hesitate to contact Mavis Connolly of my staff at (410) 966-6707.

/s/

Anthony J. Tirone

cc: Regions I, II and IV - X
Pat Lowry, RO III